

THE CASE OF KAIEN ISLAND

In nearly three years of administration under the present McBride government the opposition have failed to bring home to it a single charge, and in the desperation of hungry seekers after office they saw, in the sale of Kaien Island to the Grand Trunk Pacific for terminal facilities on the North Pacific coast, a gleam of hope. It suggested to them a theme for scandal, and almost immediately upon the opening of the recent session of the Legislative Assembly they moved for an enquiry. In this the government immediately concurred. In fact, upon the opening day the papers in connection with the transaction were laid upon the table. Here a wholly different example was set to what is the rule at Ottawa, where all motions of enquiry are promptly voted down. Every facility in this case was placed at the disposal of the leader of the opposition. The investigation dragged throughout the whole length of the session and the report was only submitted, and the discussion thereon took place, during the closing days.

A desperate effort was made, by the distortion of evidence, the most laborious and minute cross-examination and the most lavish use of an unscrupulous press, to leave the impression of wrong-doing upon the public mind, although not a single fact was established that in any way implicated the members of the government in an abuse of their position, of illegal procedure, or of having profited to the extent of one cent by the transaction. Grossly false and sensational statements were circulated throughout the province, and by means of press correspondence far beyond the confines of the province; strong influence was attempted to be brought to bear upon the Lieutenant-Governor; and a still more determined effort was made to have placed in the journals of the House an "ex parte" minority report, wholly at variance with the evidence taken before the select committee of investigation.

All attempts failed, and, as was predicted, the campaign of slander instituted has brought about the inevitable reaction, and the agitation against the government has collapsed for sheer lack of solid substance with which to support it. Spasmodic efforts are made to keep it alive, mainly to counteract, if possible, the serious revelations at Ottawa in connection with the Saskatchewan Land Company, the North Atlantic Trading Company, the Emerson petroleum business, the Bronson concession and the collapse of the Laurier tower. The whole matter of the Kaien Island affair has been ably reviewed in the *Victoria Colonist* in a series of exhaustive articles, which are here reproduced for the benefit of those who may wish to inform themselves on the subject:



A "BAND OF ADVENTURERS"

(The Colonist, March 11, 1906.)

If we eliminate from the minority report of the Kaien Island investigation the extraneous matter in the form of assumptions and inferences which has been imported into the findings, we shall find left practically what forms the substance of the main report presented to the legislature. We propose to deal at length and in detail with the Kaien Island matter, in order that the public may not be confused or deceived by the glamor of misrepresentation thrown about it, both in the legislative assembly and in the press by clever but unscrupulous politicians and journalists. By "clever" we mean the skilful methods by which they have developed an atmosphere of suspicion and wrong-doing about a transaction concerning which, from first to last, so far as the government is concerned, there is not a circumstance which will not bear the light of day. The ground traversed is too extensive to deal satisfactorily with in one issue, and we propose to consider but one phase of it this morning.

The expression, "a band of adventurers (male and female)," which was introduced into the report for the purpose of creating an impression not warranted by facts, defeated the purpose the framers of the report had in view, assuming for the sake of argument that they had the desire to present a view of the case that appealed honestly to themselves. A select committee is essentially a judicial body, and the fact that the leader of the opposition is a legal gentleman of acknowledged standing, with possibly judicial aspirations, should have suggested to him the inadvisability, not to speak of the unfairness, of departing from judicial methods. In this instance he undoubtedly yielded to the temptation of discarding the mantle of the just judge for the garb of the reckless politician. The use of the expression is responsible for the bitterness displayed in the debate on the adoption of the report

of the committee and the lack of dignity that characterized some phases of the discussion. It was an expression that rendered impossible official record of the minority report without the most emphatic protest; and if at times that protest assumed a character that was distasteful to the authors, and unusual in a deliberate assembly, the onus rests upon the latter.

WHO ARE ADVENTURERS?

When we come to consider carefully who are "adventurers" in this country and who are not, it would be difficult to draw a line of demarcation that would exclude a great many gentlemen in public life—we shall refrain from dragging the female portion of the community into this discussion—from a classification that was intended to have an application solely to members seated on the government benches and those who have at various times been associated with them in a business and political way.

The ancient and honorable Hudson's Bay Company was once described in royal charter as a "company of adventurers" trading in the vicinity of Hudson Bay. This company included among its members royalty itself. That fact in itself might not have added to the business standing or moral worth of the corporation in question — because Prince Rupert, the first governor, though a brave and dashing officer, would not be selected as an ideal for Sunday school purposes—but it goes to show that "adventurers" sometimes mingle in very "good" society. The term was, at least, not once considered as necessarily one implying disgrace. Columbus was an adventurer, so was Drake, so was Cromwell, so were the Pilgrim Fathers. Of later years adventurers have come to be regarded as including a variety of classes of men and women — pirates, brigands, fortune hunters, social riffraff, who hang upon the skirts of polite society awaiting the favorable opportunity to exploit it, marauders of the public domain, "bunco-steerers," reckless railway and company promoters, bonus-

seekers, gamblers, litterateurs of the Col. Mann class, who hold up wealthy men and corporations, blackmailers, political "go-betweens," boodlers, grafters, and, generally, the flotsam and jetsam who drift hither and thither on the bosom of humanity's sea, nourished at the expense of the body politic, the creatures of chance, sometimes buffeted by wind and wave, sometimes basking under sunny skies, sometimes making a safe harbor, but eventually, in the great majority of cases, piled up as debris among the social wreckage that for ages has strewn the rocky coasts of life.

Who are "adventurers" and who are not adventurers, according to the details of this miscellaneous catalogue? Who among us have not sinned? Let him cast the first stone at his neighbor. We shall, of course, exclude from consideration the "unco guid" and spotless leader of the opposition; but are there not many among the ranks of his supporters to whom we might not apply some of the attributes of some of the adventurous class, who seek fortune in the bold game of chance? Are there not some who have been tempted to cast their sheet anchor adrift at times, to drift with the unattached moral, social and political derelicts? Are there not some who have dallied with the temptress—Fate?

In British Columbia politics—in Canadian politics—it is treading upon dangerous grounds to enquire too closely into the earmarks of the "adventurer," of the male persuasion. It is ungallant to drag into our generalizations the female population. In the ordinary acceptance of the term we associate "a band of adventurers" with wolves, marauders and social outcasts. It is a name that a Christian gentleman would not apply to those with whom, in ordinary business and social intercourse, he came into contact. An "adventurer," in the sense in which it was used, is a person for whom the honorable leader of the opposition would not be retained in his legal profession, a person whom he would not invite to his house, with whom he would not professionally have inter-

course, whom he would not meet at a club—that is, if he be as particular to practice as his alleged precepts would imply.

GRATUITOUSLY INSULTING AND UNFAIR.

"A band of adventurers"—considering the designation as entirely confined to men—is a hard name to use about other men in any walk of life. If the expression is intended to convey all it really signifies, it would, if properly applied, exclude those to whom it refers from all courteous consideration at the hands of the community. If properly applied in this case, it places a stigma upon the names of the gentlemen—we mean the persons—in question, which it would take years to blot out. It would place the seal of political infamy upon their careers. It would ostracize them from political as well as from polite circles for evermore. If Mr. Macdonald has weighed well his words—and his friends point to his fitness to wear the ermine of the bench—he must realize the import of every syllable of the expression he has placed upon official record. If Mr. Macdonald met Mr. Larsen tomorrow, could he shake hands with him and say "I'm glad to meet you"? If Mr. Larsen should not recover from his serious illness, could the leader of the opposition rest easy in his conscience—assuming that he is sensitive in that respect—when those burning words on the official records—"a band of adventurers (male and female)"—appear before him? Would he not in his silent moments, in the periods of solemn reflection, give a right hand if they could be erased and he could forget them?

Words are serious things, especially when they go down in the official archives as the deliberate and premeditated opinions expressed regarding our fellow men.

If, on the other hand, these words are not properly applied to each of the persons to whom they refer—as we believe, as differentiating them from the ordinary run of men in public or business life, they do not—then Mr. Macdon-

ald and Mr. Paterson, of course, are guilty of having, under cover of parliamentary privilege, deliberately defamed these gentlemen, and having gone out of the ordinary course of their political duties—and unnecessarily and cruelly—libeled them.

A great many persons, who might have agreed, or who, perhaps, do not agree, with the findings of the minority of the Kaien Island select committee, will not sympathize with the use of language gratuitously and unwarrantably harsh and offensive.

The public is fair as a rule, and it will condemn in particular the addition of the words in brackets, "male and female." British fair play always condemns an attack upon women by men. It is not considered manly. Women may tear each other's hair and spit at each other and call each other names; but the hand and voice of man are stayed by common consent.

HITTING BELOW THE BELT.

There is no need to go behind the bush to say that Mrs. James Anderson is the woman intended by the term "female." Mr. Macdonald will hardly deny that. Now, in the report of the evidence there is not a particle of evidence to show that she had anything to do with, or even knew of, the details. The evidence is all to the contrary, in fact. In the report of the minority her influence or her participation are not alleged except in the one defamatory expression—"male and female." Her name was only introduced in cross-examination by the leader of the opposition to do damage by inference to the government—an artful trick of the man learned in the law, calculated to tickle the suggestive fancy of the gods, and the wide-open propensities of gossips, but despised by those whose spirit of fair play will not tolerate hitting an opponent below the belt. Unless the gentlemanly minority of that committee are prepared in an open and manly fashion to allege an improper or any association of Mrs. Anderson with the transaction which

was the subject of enquiry, they had better had never attempted to deal in suggestions or inferences. It is the use of weapons forbidden in the code of honor among gentlemen in political or other warfare.

THE INVESTIGATION CONSIDERED

The Colonist, March 13, 1906.)

In dealing with this question in a comprehensive way, we propose to follow the lines laid down by the leader of the opposition and consider his presentation of the case step by step. We propose to show from the evidence that his premises are wrong and his conclusions wrong and misleading.

Since the McBride administration came into power the opposition have met with a series of disappointments that have tended to a state of desperation. Every effort made to discredit the government has proved abortive, and all preceding issues have been laid aside and forgotten. They raised an uproar over the disposition of the East Kootenay coal and oil lands. That is dead and buried. The government's financial policy was next attacked with great vigor, and an appeal was made to the country to resist taxation. The people understood the situation from a business point of view and failed to respond. No longer is the cry of "overburdened" taxpayers heard in the land. As the government was pursuing a ruinous course in respect to the farmer, who continues to prosper like a green bay tree, so the government's timber policy was to have encompassed the destruction of the timber industry. It never was more prosperous in its history than at the present time.

The people were to have expressed their disapprobation and "hurled" the government from office upon the first opportunity available. Three by-elections have taken place, and in each the government was sustained with evidences of increasing confidence. In the Alberni election the government won a seat from the opposition. So it has gone

on from time to time. The government was to have been defeated on its railway policy. It is still surviving with good majorities. Nothing has stuck.

The next general election is approaching and the Kaien Island scandal was hatched with the hopes of producing a "foul brood." We say "hatched," because the "revelations" have been incubating for some time. In metaphor, Messrs. Macdonald and Oliver have "sat" upon the Kaien Island nest for months with grandmotherly care and persistence—with what success we shall proceed to show. The public must not be deceived by so much "cackling," especially when Mr. Oliver does the "cackling." We can assure them that it is the false alarm that not infrequently proceeds from that gentleman's political poultry yard. In truth, the "sitting" was not real eggs at all. They are of the porcelain door knob variety, known as patent "nest eggs"—"mare's nest," eggs, so to speak.

WAS KAIEN ISLAND RESERVED?

Let us consider the serious propositions presented by the leader of the opposition. First, he submits that Kaien Island was not included in the reserve placed on the Taimpsean peninsula in 1891, and therefore, was open to the locations made by holders of South Africa scrip; who were thus deprived of their rights under the land. He submits that as an island, Kaien Island was not part of the peninsula, and as far back as 1886 a document was filed in the lands and works office, containing a general definition of the boundaries of the land in the proposed Indian reserve. In this document, reference is made to "Kaien Island" which must have then been known to exist. In Mr. Tuck's map of his survey of the Indian reserve in question which contains some 70,000 acres, a portion of Kaien Island is also shown. He argues that the officials of the land department must have had knowledge of Kaien Island from these official facts.

There are just two observations to make respecting this contention. The

document of 1886 was filed to give notice of the proposed boundaries of the Indian reserve, and would not be closely scrutinized by the officials. In fact, it was the mere formal filing which takes place in the case of all Indian reserves, prior to survey. Whether it was the duty of the officials to apprise themselves of all the contents, we cannot say; but whether it is, or is not, the plan of the survey made by Mr. Tuck of the Indian reservation was not filed until 1892, or the year following the placing of the reserve on the Taimpsean peninsula.

Whatever may have been the facts contained in the documents filed in the lands and works department, it is evident that in 1891 it was not within the knowledge of the then chief commissioner (Mr. George Forbes Vernon), that there was a Kaien Island as such. This is clearly shown by the evidence of Mr. W. S. Gore, the late deputy commissioner of lands and works. But Mr. Macdonald alleges that it was not possible to know what was in Mr. Vernon's mind so long ago. Mr. Gore, we may say, was the official expert of the department upon whose advice and reports all such matters were decided. He therefore, knew what was in the chief commissioner's mind, because in a very special sense he was the official mind of the chief commissioner.

As far as the reserve itself is concerned, the real question, however, is: Was it intended that what is now known as Kaien Island should be included in the reserve? Mr. W. S. Gore who above all other men should know, says it was. But we have the explicit terms of the order in council creating the reserve. The southern boundary was a line drawn due west from the head of Work channel, which if extended to the limits of the Indian reservation, includes all or nearly all of Kaien outside of the Indian reserve. It must be borne in mind that at the time the reserve was created, 1891, there was no exact survey of the coast at that point, and that the old admiralty chart used by the department did not show Kaien

Island except as part of the continent and must, as the lawyers say, be read into the interpretation of the order in council creating the reserve. There is, therefore, no doubt that Kaien Island was intended to be, and was, included in the reserve. However, to remove doubts an order in council passed in 1904, especially reserved Kaien Island.

SOUTH AFRICAN VETERANS.

We come next to the appeal on behalf of the South African veterans, who were deprived of their rights under the law from locating South African scrip on Kaien Island. One would imagine that the heroes, of whom we are all proud and to whom we would gladly do full justice in recognition of their worth, had been badly, scurvily treated, in order that "a band of adventures," might be favored. We have before us a list of those who held scrip, and who endeavored to locate it on Kaien Island, and not one of the holders, with the exception of H. M. Daly, of Vancouver, had done service in South Africa. In each case the scrip had been purchased from others. Even in the case of Mr. Daly the land scrip used was not his own. In each case the holders of scrip was a speculator in the same sense that Larsen and Anderson were speculators. So that this plea of ill-requited patriotism falls to the ground. The legality of the reserve stands and has been confirmed by the House in adopting the report of the investigating committee.

IS A MATTER OF PUBLIC POLICY.

We have now to consider the public policy involved in the action of the government in dealing with the reserved area of the Kaien Island by selling it under a section of the Land Act to the Grand Trunk Pacific for terminal purposes. The opposition hold that the government did not possess authority under section 39 to dispose of it, other than in the manner provided for in sections of the Land Act and in special

acts with reference to South African scrip. In other words, they hold that the land in question was legally disposed of, that His Honor the Lieutenant Governor was wrongly advised and that the government obtained the order-in-council contrary to "both the spirit and letter of the law"—probably the most serious charge in connection with the whole matter, and one which if proved, would justify His Honor in acting independently of the fact that the government was sustained by a majority of the Legislature.

The "minority report" holds that the selling of such a tract of land to the railway company, notwithstanding that section 39 excludes the making of such grants by way of bonus for the construction of railways, was an inducement to the Grand Trunk Pacific to construct the railway to the particular point in question and in that sense was "a bonus to a railway." If the government, as is claimed, strained the law in the Kaien Island deal, the effort was infinitesimal as compared with the strain necessary to regard the disposal of 10,000 acres of land for \$1 an acre, with certain conditions attached, as a bonus. The suggestion is absurd on the face of it. The government did not offer the 10,000 acres in any sense as a bonus or as an inducement to the Grand Trunk Pacific to build. They wished simply to co-operate with the company in securing a suitable location for a terminus, which is a matter of great public advantage. It was in every sense desirable that a transcontinental railway should find the best possible site not only in its own, but in the general interest. It was the duty of this, or of any other, government to offer all the facilities possible consistent with public rights. A national railway in selecting its terminus for national purposes deserved consideration above private considerations, inasmuch as it affected provincial interests as well. Any attempt to have thrown obstacles in the way of the Grand Trunk Pacific on this matter would have been denounced as obstructing national enterprise.

WAS THE SALE LEGAL?

Now, section 39 of the Land Act specifically states that it shall be lawful for the Lieutenant Governor in council to make such "special free or partially free grants of the unoccupied land or unappropriated crown lands of the province for the encouragement of immigration or OTHER PURPOSES OF PUBLIC ADVANTAGE, not being bonuses for the construction of railways," etc. Mr. Macdonald holds that according to the rule of construction expressed in the maxim "*eiusdem generis*," the phrase "or other purposes of public advantage," is governed by "immigration," or, as the maxim has it, is "of the same kind or nature."

No one will seriously contend that this is one of the cases where the rule in question applies. "Immigration," is a word which in itself is as comprehensive as is possible to make it, and the phrase "or other purposes of public advantage," undoubtedly refers not to immigration, but to any other purposes quite distinct from it, which the government in its judgment might consider to be of public advantage. Therefore, it is clear, from a legal point of view, that the grant is absolutely valid. Whatever grounds upon which the judgment exercised may be criticized, the legality of the act itself, is unquestionable. There is not a shadow of doubt about it.

It thus remains to discuss the judgment displayed and the nature of the bargain is determined by all the circumstances surrounding it. Judgment and common sense, as we ventured to remark on a former occasion, are relative in their merits. The point here is that, forgetting altogether for the moment the persons who figured in the deal, the government might have made an error in judgment, without its good intentions or the morality of the proceeding being called into question. Did the government make a mistake of judgment? Was the sale of Kalen Island, upon the terms, not a good bargain for the country?

In determining that we have several matters to consider—the use to which the land was to be put, its present use and value, its isolated position, and the conditions attached to its disposal.

In a measure, we have already disposed of the first consideration. The use to which the island is to be put by the Grand Trunk Pacific would, under certain conditions, have justified the government in making it a gift to the company. The conditions would have included a certain interest being retained for the province, regulations as to waterfront, etc., and in this connection we regret that the government did not stipulate for certain things such as the setting apart of grounds for public purposes, the width of streets, the character of drainage, and so forth; which in our opinion ought to be part of the provisions in connection with all townsites. However, commenting upon the terms as they are, the government gets \$1 an acre for 10,000 acres, retains 2,500 of the 10,000 as an interest, and makes certain provision for equal rights as to foreshore for the inhabitants of this future city. The value of these stipulations has to be considered in connection with the special circumstances of the case—the natural value of the land, its physical character and its situation. We need not emphasize the fact, so many times alluded to, that the value of the government holdings increase with the value of the real estate itself and the importance to which this new city of destiny attains. The \$10,000 ceases to be of importance as compared with the possibilities of the future. What the government retains may yield a million or more.

MR. MACDONALD FORGETS.

But Mr. Macdonald says that if 2,500 acres prove to be worth a million or two millions, what would the whole 10,000 acres be worth? He forgets the old adage about not having our

cake and eating it. If the government retained it all the land would not be a townsite at all, and consequently be worth but little more than it is now. The Grand Trunk Pacific would have gone elsewhere for a terminus. He forgets that it is the fact of becoming a terminus that makes any of it valuable. In fact, Mr. Macdonald forgets many things that a business man should remember. He forgets that the land is wholly worthless for agricultural purposes, that it will be very expensive converting it into a condition for residence, that much of it is worthless even as a townsite, that it will take a long time to build up a city there, as it has in Vancouver or Victoria, and that in the end the Grand Trunk Pacific will probably not make much more out of it than a fair profit on the investment required. As a silent partner, the province will continue to obtain the benefits of the "unearned increment" without assuming any of the responsibilities. The fact that a large city will be built up at or near this point will in itself be of great material benefit to the province, many times paying it for the lands if it made a free gift of them. But fortunately we are not left to recommend the bargain on such grounds. The government got \$10,000 for lands that are not worth \$1 an acre and never would be for other than townsite purposes. It stands to ultimately make a million dollars out of the deal, more or less, according to future developments. Had the railway gone to Port Simpson, which, of course, it may yet do, it would have had to deal with private parties, and the government would not have shared in the interest it at present has. On this point, too, Mr. Macdonald endeavored skilfully to mislead. He said that the government had still 3,000 acres at Port Simpson available as a townsite. It was pointed out to him by Dr. Young that the government land lay considerably back from the water and fronted on Work Channel, not suitable as a harbor and the shores

of which were precipitous. The land itself was absolutely worthless, and had not been sold hitherto because it was worthless.

On every point, therefore, up to the present the opposition have failed to prove their case upon facts or upon evidence submitted to the committee. It is impossible, however, to deal with all the facts and circumstances editorially in a single issue, and we shall continue their consideration "in our next."

FACTS OF THE INVESTIGATION

(The Colonist, March 14, 1906.)

We have already shown pretty conclusively that the use of the words "a band of adventurers (male and female)," introduced by the opposition members of the committee of investigation in the minority report, was a gratuitous and offensive interpolation, for the purpose of conveying an impression to the public wholly unwarranted by the evidence submitted to the committee in legitimate inference from the circumstances in connection with the Kaien Island case in any of its stages;

That there was a legal reserve of the Tsimpsean peninsula, and that Kaien Island was properly and legally included within it.

That the location of lands on Kaien Island under South African scrip was properly refused by the chief commissioner of lands and works;

That the scrip proposed to be used was held for speculative purposes and had been purchased from the original holders;

That the government had full and unquestioned authority under section 39 of the Land Act to deal with the Kaien Island lands in the way they were disposed of and for the purposes for which they are intended to be used;

That the government made a bargain that can be defended and commended from the point of view of public policy and from an actual business point of view, present and prospective.

We have now to consider the character of the negotiations, the personnel of the individuals concerned, and the relation of each to the main issue. Upon these matters the opposition conducted the investigation in such a way as to leave the impression that there was something very wrong at the bottom of the whole transaction—an impression sought to be conveyed by inference, suggestion and insinuation rather than by the production of tangible evidence in any form. If it be any satisfaction to the opposition to know our opinion of the manner in which they manipulated and developed the evidence to reach the result sought, we think it was exceedingly clever; diabolical ingenuity could not have done more. Our readers are familiar with the methods employed by the village gossip to defame the character of her neighbors. She carefully refrains from making explicit statements, but conveys the impression she wishes to leave by a significant shrug of the shoulders, the pursing of the mouth and the arching of the eyebrows. For the purposes of distilling poison and inoculating the community with it, the gossip has methods which she has reduced to an exact science, the very perfection of which commands an unwilling admiration.

PRURIENT-MINDED POLITICIANS.

By the way, we must apologize to the entire female population for referring to gossips under the exclusive term "she." It was an inadvertence, and arose from the fact that it is not unusual to associate gossips with some women; but what we stated should apply to the entire band of gossips (male and female.) In this instance we have political gossips and journalistic gossips, who roll slander under their tongue as a precious morsel. It is not necessary in the interests of the government to mince matters. The suggestion of "adventurers (male and female)" arose wholly out of the fact that the name of Mrs. James Anderson was introduced into the investigation. This was not because it was shown that Mrs. Anderson had taken any part in the ne-

gotiations, but to give verve, color and suggestion to the attendant circumstances, one of which was that Mr. Green, chief commissioner, happened to be an occasional visitor to the house of Mr. Anderson. The particular circumstance was reported to the prurient-minded politician by those who spied on Mr. Green's movements; and the prurient mind of the politician sought means to have the fact brought out in evidence, whereupon the prurient-minded journalists seized upon the incidental fact in order to play upon the imagination of the public by hints and insinuations that are disgraceful to legitimate newspaper work. It was clever, we admit: so clever, indeed, that His Satannic Majesty could not have improved upon the methods adopted. It was a kind of cleverness, however, that reacts on the heads of its agents, and it is just now reacting with full force. The people are beginning to see the inner workings of this scheme and to realize that it was exploited in the manner that gossips (male and female) exploit local gossip to injure and defame their neighbors.

There need be no hesitation in discussing all the facts in their true relation to the Kaien Island deal. The government has nothing to conceal and has not endeavored to conceal anything. What there is objection to is the selection of isolated facts of evidence—what Premier McBride happily referred to as "hand-picked evidence"—without relation to the context, and circulating them as the governing facts in a situation that involved many considerations and a regular train of circumstances.

DEALING DIRECT.

The question to be considered as the crux of the investigation, now that the other considerations of legality, etc., have been disposed of, is: "Did the government deal with the Grand Trunk Pacific direct in disposing of Kaien Island for terminal purposes?"

Upon this point we have to rely upon the evidence of practically two witnesses—Messrs. Bodwell and Anderson. There is a slight divergence

between them on some points, but in the main they agree. Mr. Larsen, as an extensive contractor, had an intimate and an inside knowledge of affairs in respect to the probable turn of events in connection with the construction of the Grand Trunk Pacific. It is evident that he had an understanding with the company. He was a friend of Mr. Stevens, an American, who was chief engineer of the railway. There is everything to suggest that the political experience of the United States, and of Eastern Canada, to a lesser extent perhaps, suggests approaching governments through intermediaries. It was the most natural thing in the world for Mr. Hays and Mr. Morse to suppose that the British Columbia government was no exception to the rule. They never dreamed of going in the first instance direct to the government. Such a thing at Washington, for example, would be considered an absurd proposition—so thoroughly have the principles of "graft" been established in the political system. After their experience at Ottawa with politicians, they certainly were justified in assuming anything. Thus the chain was established. Mr. Stevens, who was looking after the location end of the railway in the West, suggested Mr. Larsen to start with. Mr. Larsen knew Mr. Anderson in British Columbia. Mr. Anderson was a friend of Mr. Bodwell, and Mr. Bodwell was, in turn, friendly with the government on account of prior political relations in the Bodwell-Prior contest in Victoria. Mr. Larsen knew the plans of the Grand Trunk Pacific so far as they had developed in regard to a terminus, and employed Mr. Anderson to spy out the land and make surveys in the vicinity of Port Simpson, the statutory terminus. Mr. Larsen was acting for the Grand Trunk Pacific. He was too wealthy a man to make the matter of a profit on the turnover of Kaien Island a matter of real consequence to him. He was looking to the improvement of his relations with the company, with which he has at the present time large contracts for construction. Messrs.

Anderson and Bodwell, however, were not wealthy men, and the suggestion of forming a company to handle this and other property near the terminus came not unnaturally and legitimately from them. To this Mr. Larsen agreed, as Mr. Bodwell was looking after the political end of it, and he was willing he (Bodwell) should accomplish his end in his own way. Mr. Anderson was in the north looking after the real estate end. Messrs. Bodwell and Anderson being on the "inside," wanted and expected and were entitled to make something on the deal, if they could induce the government to part with the land on certain terms and at the same time impress the Grand Trunk Pacific, through Mr. Larsen, of the value of their services in putting it through. There is no use in being mealy-mouthed about it. That kind of thing is being done every day, is considered legitimate, and there is not a member of the opposition that wouldn't take the same view as they did and be glad to have the opportunity they had. More candor and less hypocrisy in such matters would be appreciated by the public.

NO INTERMEDIARIES RECOGNIZED

The real, the outstanding, the dominating fact in the whole situation — the thing that redounds to the credit of the government—is that when the so-called "band of adventurers" which in this instance was Mr. Bodwell himself, came to interview the government, he found that they would deal with no one but the Grand Trunk Pacific direct. They knew as well as Bodwell did that it was the railway company that was moving in the matter, and not Mr. Larsen on speculation. Kaien Island had been selected by the Grand Trunk Pacific, at least provisionally, upon the report of Mr. Anderson, for which the company expected to pay him or Mr. Larsen, or both, in one form or the other. Mr. Larsen's status was acquired through Mr. Stevens, Mr. Anderson's as a friend of Mr. Larsen, and

Mr. Bodwell's as one who was "persona grata" to the government

Let it be borne in mind distinctly that the government did not go to these gentlemen; they did not initiate the proceedings in any way. Immediately Mr. Bodwell found that the government would not deal with him as the representative of a private syndicate, anxious to make a handsome commission out of it, the matter shifted to its true relation, and Mr. Bodwell acted as he was, or was intended to be—the legal representative of the railway company. The leader of the opposition pretends to say that there was no evidence of authority on Mr. Bodwell's part to so act and that it was simply another way of carrying out the original idea, and this was apparently confirmed by the fact that the Grand Trunk Pacific, after the order in council had been passed by the government agreeing to sell the island for terminal purposes, signed an agreement to pay \$40,000. If the real circumstances were not understood this latter would be a very damaging fact. But Mr. Bodwell was in constant communication and touch with the Grand Trunk Pacific through Mr. Larsen and Mr. Stevens, and had a telegram from Mr. Hays definitely settling his status to the satisfaction of the government. In fact, the government had no reason to question the authority from the start. Large corporations do not put too much on paper in carrying on negotiations.

The agreement for \$40,000 was obtained by Mr. James Anderson in Montreal. He held a power of attorney from Mr. Larsen, who had no knowledge of the agreement until after it was made, and he promptly tore it up. Mr. Bodwell was not a party to that agreement, and advised the company that they were under no obligation to pay anything for the island, other than the \$10,000 agreed upon with the government. These facts are well known and well understood by the opposition; but it does not serve their purpose to regard them in the proper light.

PERSONAL RELATIONS OF AGENTS.

The relations which existed among Messrs. Larsen, Bodwell and Anderson matters nothing so far as the government is concerned. There seems to have been some misunderstanding ultimately. The man most interested in turning the transaction to account was Mr. Anderson. Mr. Larsen was looking forward to contracts, and Mr. Bodwell was representing the Grand Trunk Pacific in a legal capacity. Mr. Anderson chose to use his opportunity to make the best bargain he could in return for his services. He had spent two years surveying and reporting on the coast to the north, and as we have intimated he was representing Mr. Larsen who represented the Grand Trunk Pacific. He was settled with by Mr. Larsen, who paid him \$10,000 in cash and some interests, partly on account of Kaien Island and partly on account of interests Messrs. Larsen and Anderson acquired on their own joint account. Mr. Larsen was in all probability settled with by the Grand Trunk Pacific, not for influence with the government, but as agent in connection with the selection of a terminus and the matter of surveys, etc., for which he was legitimately entitled to receive compensation. However, we have no exact knowledge of his relations with the company and are not at all interested in knowing what they were. The position the government took is perfectly clear and straightforward. That is as far as our business to inquire extends. It is as far as anybody's business extends.

A great deal is made of the secrecy maintained, but it must occur to any person that until the crown grants were issued and everything was settled up, no knowledge of the facts about the fixing of the terminus should be known to the outside world. If a small "band of adventurers" were bad, a host of "adventurers" on the spot would have been far worse.

When the situation is understood from the practical, commonsense, business

point of view the atmosphere of dark suspicion in which it has been enveloped by the opposition is cleared away and nothing remains but the discomfiture of those who are responsible for a chapter in political history which might well be entitled "Much Ado About Nothing"—a serio-comic melodrama built up from the single fact that a member of the government had visited the home of Mr. Anderson, with whom he had in the Kootenays been on terms of friendship for years.

DEALING DIRECT

(The Colonist, March 15, 1906.)

We are told that the Grand Trunk Pacific did not deal with the Dominion government through intermediaries, but that Sir Wilfrid Laurier himself framed up the wonderful policy of a new transcontinental railway. About the particulars of that we shall never know. No committee was ever asked for in the House of Commons to enquire into the inner workings. Had it been asked for it would have been promptly voted down. Sir Wilfrid Laurier was so secret about the negotiations that he did not even take his own minister of railways into his confidence, and as a consequence Hon. A. G. Blair resigned. In such circumstances it would be extremely difficult for an outsider to arrive at any intelligent conclusion as to how the scheme was worked. What we do know, however, about the experience of the Grand Trunk Pacific with eastern politicians is that when the Grand Trunk Railway Company made a proposition to the government to extend their line from North Bay to the coast for a subsidy of \$13,500,000, or "thereabouts," the Liberal members of Quebec and the Maritime Provinces promptly held up the government and declared that they would support no railway proposition for the West that did not mean the building of a line of equal length in the East, in order, of course, that there might be money

spent and patronage and spoils. Sir Wilfrid Laurier, whatever his own views were on the subject, was obliged to succumb and set about evolving a scheme that would harmonize with the designs of the Grand Trunk on the wheatfields of the Northwest and satisfy the appetite of his eastern followers in the way of plunder. The Grand Trunk Pacific did not want an eastern line, for which there were no business requirements, and if the proposition were to be burdened with spoils, the promoters were quite willing to allow the government to undertake the "pap-feeding" section and to content themselves with the section in which there was business in sight. Knowing, therefore, the "carnivorous" instincts—that is to say, the love for the fleshpots—of the eastern Liberal politician, as manifested when they scented a new railway enterprise, it is little wonder that Messrs. Hays and Morse rushed to the conclusion that the government of British Columbia could only be approached by the indirect methods adopted elsewhere. They discovered, much to their surprise, and, we feel certain, much to their relief, that Mr. Bodwell had to establish his status as their legal representative before the provincial administration would do business with him. If the opposition are anxious to contrast methods here and at Ottawa, so far as dealing with the Grand Trunk Pacific is concerned, let them suggest a select committee of the House of Commons for the purpose. Select committees are very useful institutions, but they are not encouraged at Ottawa.

THE UNJUST JUDGE

(The Colonist, March 13, 1906.)

The leader of the opposition—and his lead was followed by his followers in the legislative assembly—in discussing the minority report of the Kaien Island investigation, made a number of "ex parte" statements, each

one of which was arrived at, legal fashion, by straining the facts brought out in evidence. As we have pretty conclusively shown, we think, the entire fabric was built up on hypotheses which were not sound; in other words, manufactured for the occasion by piecing together unrelated parts of the evidence. As a piece of legal sophistry, it affords an excellent example of the possibilities of making bricks without straw.

We must ask the forbearance of readers in dealing further with the subject of Kalen Island: but the fact that it has been exploited to such an extent by the opposition and the whole attendant circumstances have been so grossly misrepresented renders it necessary to follow up each phase of the case from its origin to its logical conclusion. It is only necessary to clothe the circumstance or chain of circumstances with sufficient mystery and envelop it with an atmosphere of suspicion to create the impression of grave wrongdoing. Persistence in poisoning the public mind will effect its object in time; it is not a difficult task by manipulation to make right appear wrong.

JUDGE, JURY AND PROSECUTING ATTORNEY.

We make the distinct statement that not one of Mr. Macdonald's "conclusions" as presented to the House are in accordance with the evidence or the real facts. Even upon the question of printing the evidence, as will be confirmed by the majority of the members of the select committee, he attempted to leave the impression in the minds of his hearers that the government had disobeyed the order of the House. It was open to the leader of the opposition to have had the evidence printed from day to day had he desired it; but as the "disclosures" did not bear out his preconceptions of the facts, it did not suit his purpose.

And in this connection we may pause to point out the remarkable atti-

tude in which Mr. Macdonald stood in relation to the investigation, from the very outset. As a member of the select committee he was acting in a judicial capacity. For the time being he actually had attained his ambition of being a judge, clothed with full judicial powers. He entered upon his duties with his mind fully made up as to the verdict he was going to give, and his every effort was bent upon bringing out evidence that would be in accord with his preconceptions of the guilt of the government. He was at once judge, jury and prosecuting counsel, and would gladly have added to his multifarious functions that of hangman (that is to say, executed the sentence of political death upon the government). Mr. Macdonald spoke of the witnesses before the committee as "hostile," but it will not be denied that as a judge, whose duty it was to weigh carefully the evidence from an impartial point of view, he was the proverbial "unjust judge." In fact, instead of acting his part as a judge he became prosecuting counsel, pure and simple, and the hostility displayed by the witnesses arose out of his unfair efforts to place a construction upon their evidence through cross-examination that was not warrantable. His skill in this respect bore evidence to his ability as a lawyer, which would have been invaluable to a client who wished a paid advocate in a case requiring expert services to make it stick. Mr. John Oliver, who in the House reduced the discussion to the farcical basis of a talk against time, intimated clearly that the leader of the opposition was well primed at the outset and knew practically all there was to tell before the investigation started. How, therefore, the public can be expected to accept as the proper conclusions of the committee what his sole effort was to prove by strenuous efforts of cross-examination, we cannot imagine. No reasonable man could be brought to believe that the findings of Mr. Macdonald were impartial findings or should have been the findings of the

committee. In the opinion of every fair-minded man the attitude of Mr. Macdonald, sitting as a judge on the conduct of the government on the Kaien Island transaction, was an improper one, and not calculated to impress the public with the justness or sincerity of the verdict, which he sought to impose upon the House.

OVERSHOT THE MARK.

In pursuing the course he did, the leader far overshot the mark. Had he nominated two of his followers as members of the select committee, and himself acted in the capacity of counsel, without a retainer, for the opposition, he would at least have presented a more consistent, decent front to the legislative assembly in enforcing the findings of the minority. In his private capacity as a member of society he may be, and probably is, a very estimable man, but he has shown himself to be very dishonest in his methods as a politician. And for the unfortunate position in which he finds himself he has probably to thank his failure to discriminate between the privileges which are permitted a professional man in making the worst appear the better reason, or in painting white objects black, as may suit the cause for which he stands, and the ethics which should distinguish a public man and a leader in determining the merits of a case, in ascertaining the rights as well as the wrongs, in doing justice even to his enemies, in presenting facts in their proper perspective, in bearing false witness against no man, in ferreting out evil where it exists, but imputing neither wrongful motives nor wrong acts where neither are proven.

SUMMARY OF MR. MACDONALD'S SHORTCOMINGS.

Let us specify, Mr. Macdonald contended, that Kaien Island was not included in the reserve. That was disposed by the evidence of Mr. W. S. Gore, who had full knowledge of all the circumstances.

He pleaded that South African veterans were unjustly dealt with in being refused locations. Not a single South African volunteer filed in his own name.

He claimed that the government acted illegally in disposing of the Kaien Island lands under section 39 of the Land Act. Mr. Macdonald will not find a legal authority in good standing who will agree with him in his construction of the section in question. The question of whether or not such a disposition was one of public advantage is an entirely different matter, but is not one affecting the legality of the transaction. The question is one within the discretion of the government as a matter of judgment.

His contention as to the transaction being a bad bargain, is a matter for the public to decide. We have endeavored to show that it is a very good bargain judged by ordinary canons of sound public policy.

Mr. Macdonald's statement that there were 3,000 acres of government land at Fort Simpson available for townsite purposes, is disproved by the fact that, even if it did lie back from the waterfront, which is admitted, it is absolutely worthless for any purpose.

The gratuitous and offensive assertion that the government did not deal directly with the Grand Trunk Pacific company, but with "a band of adventurers (male and female)" finds its refutation in the terms of the order in council itself which names Mr. Bodwell as the legal representative of the railway company, and the fact that in accordance with those terms the land was conveyed to the Grand Trunk Pacific for \$10,000.

He stated explicitly that the Grand Trunk Pacific was at liberty to receive back the \$10,000 if it did not choose to select Kaien Island as the terminus, whereas, by the terms of the agreement, the government is the sole arbiter in that matter.

He distinctly affirmed that after the order in council had been passed, Messrs. Bodwell, Larsen and Anderson,

in Montreal, secured an agreement from the Grand Trunk Pacific for \$40,000 for the transfer of the island. Mr. Bodwell was not a party to that agreement, but advised the Grand Trunk Pacific that they were under no obligation to any person in the matter. Mr. Larsen was not in Montreal when the agreement was signed, Mr. Anderson, using Mr. Larsen's power of attorney. Mr. Larsen voluntarily destroyed the agreement when he learned of its existence.

The \$10,000 paid to Mr. Anderson, and the other interests he obtained were in general settlement between Mr. Larsen and himself, and was, in part, on account of services he rendered in making surveys and locating scrip, acquiring coal lands, etc., and not as alleged the result of political "grafting."

Mr. Macdonald alleged interviews between the Premier and Larsen and Anderson, which are not shown in evidence, were specifically and unqualifiedly denied by Hon. Mr. McBride.

These are a few of the allegations that were made on the floor of the House and were without warrant or excuse.

CANCELLATION OF THE RESERVE

(The Colonist, March 17, 1906.)

The illegality of the transaction whereby Kaien island was conveyed to the Grand Trunk Pacific is now reduced to the contention that the reserve was not cancelled according to law before the lands were granted.

The fact that the acute legal mind of Mr. Macdonald did not discover this "flaw" in his microscopic and exceedingly inquisitorial examination into the details of the matter ought to discredit its acceptance by those who champion his cause. It is true that Mr. John Oliver referred to it in his "talk against time," but Mr. Oliver does not pose as a legal authority, nor were his contentions throughout more seriously present-

ed to, than they were taken by, the house.

However, we may examine the contention for what it is worth. The section of the Land Act, to which reference is made, is as follows:

"The lieutenant-governor in council shall have power to cancel reservations of land made for temporary purposes, but the order in council providing for the cancellation shall not take effect until notice thereof shall have been published for three months in the British Columbia Gazette, and in some newspaper circulating in the district in which the lands proposed to be affected are situate."

We do not pose, more than Mr. Oliver, as a legal authority, but we see nothing in the above except as a direction to the chief commissioner how to proceed when it has been decided to take a reserve off a certain reserved area. The cancelling of a reserve simply has the effect of bringing the land into the open market again, subject to the operations of purchase and pre-emption. When the land has been sold and disposed of by crown grant it is no longer open to the public, under the provisions of the Land Act. A reserve placed on land by the government is a reserve against the ordinary operations of the act in regard to sale, but not against disposition of the land under section 39, disposed of for purposes of "public advantage." It would be incompatible with the spirit of the Land Act to cancel a reserve on land that was not afterwards open to pre-emption or sale, as in this case. The creation of a reserve is the act of the lieutenant-governor general in council, and the disposition of land under section 39 is a similar act, the natural effect of which is nullification of the reserve without formal proceedings.

Assuming, however, that there was an oversight on the part of the government, and that the land could not be sold while there was a reserve on it, what is the legal effect? Does it invalidate the crown grant? And assuming that it does invalidate the conveyance, who is hurt? If it were a bad bargain, giv-

en away to a "band of adventurers (male and female)," as claimed by the worthy gentlemen who constitute the opposition, would it not be a blessed outcome for the province to come into its own again?

Of course, anxiety is expressed about the Grand Trunk Pacific not being able to give a good title to intending purchasers, with the consequence that endless litigation will ensue. It is true, the government need not worry about

the troubles of the railway company, but members of the opposition and their friends, who have had their eyes upon the railway terminus as a favorable point for speculation, will hesitate about buying a lawsuit. This is serious enough in its way, but it need not necessarily occupy too great a share of the attention of his honor the lieutenant-governor in reviewing the action of his ministers in so wrongfully advising him.